

Toys “R” Us files for bankruptcy

The rise of e-commerce did for America’s former favourite

1) ASK young American parents about Toys “R” Us and they are likely to be able to sing a jingle from their childhood: “I don’t wanna grow up, ’cause maybe if I did, I couldn’t be a Toys “R” Us kid”. For children of the 1980s, Toys “R” Us was a mecca at the strip mall, an awe-inspiring array of dolls, trucks, board games, bikes, art supplies and much more. Many of them noticed when on September 18th, the chain filed for bankruptcy. (jingle (コマーシャルの)調子のいい短い歌 strip mall 商店やレストランがー列に隣接し合い店の前に駐車スペースがあるショッピングセンター awe-inspiring 畏敬の念を起させる array ずらりと並んだもの)

2) Dave Brandon, the company’s chief executive, emphasised that shops would carry on operating as usual and claimed that Toys “R” Us was at the start of a new, brighter era. “These are the right steps to ensure that the iconic Toys “R” Us and Babies “R” Us brands live on for many generations,” he declared. A Chapter 11 bankruptcy, many analysts agree, is a sensible way to deal with the chain’s \$5bn of long-term debt. So Toys “R” Us is not dead. But its future is hardly certain. (sensible 理にかなった、賢明な、実際のな)

3) The company’s tale in many ways typifies the ailments of American bricks-and-mortar retailing. Its woes began in the 1990s, as big-box stores grew both in number and in size. Walmart’s vast selection meant parents could buy a toy in the same place where they picked up milk. (typify 代表する、典型となる ailment 病気、疾患 bricks-and-mortar 店舗がインターネット上ではなくて実在の、従来型の、伝統的な woe 悲痛、悲哀 big-box store (郊外型の)大規模小売店)

4) Then came e-commerce. Toys are particularly suitable for online shopping. Unlike a dress, they do not need to be tried on for size, and unlike a peach they do not need to be felt for ripeness. Those of prime toy-buying age, parents with young children, are busy. Women aged 25-44 spend almost as much time shopping as they do eating and drinking. Given the choice of buying a train set online or in a store, particularly when a toy shop can transform even the calmest child into an insatiable lunatic, many parents opt to buy online. Amazon makes that extraordinarily convenient. The result is that many former Toys “R” Us kids have no interest in being Toys “R” Us parents. Cowen, a financial-services firm, expects 41% of toys and games in America to be purchased online this year, about twice the proportion sourced from the internet in 2009. (insatiable 飽くことを知らない、貪欲な lunatic 狂人 opt 選択する)

5) Toys “R” Us also suffers from other common ills. The first is a heavy burden of debt. Three private-equity firms bought Toys “R” Us in 2005 in a leveraged buyout, adding substantially to its borrowings; it pays around \$400m a year in interest costs, even as it tries to compete with Amazon. It also has \$400m in secured and unsecured debt maturing next year. Many expected a bankruptcy, but the filing, just ahead of the vital holiday selling season, underlines how squeezed the firm has become. Two other retailers—Payless ShoeSource, a 61-year-old discount shoe-seller from Kansas, and Gymboree, which began selling children’s clothing in 1986—are among those that declared bankruptcy this year after being backed by private-equity firms that left them similarly weighed down. (private-equity firm 未公開株式投資会社 leveraged buyout M&A (企業買収・合併)の一つの手法で、買収先企業の資産または将来のキャッシュフローを担保に、金融機関等から資金調達をして行う企業買収(LBO)secured debt 担保付き債務 unsecured debt 無担保債務 mature 支払期限の来た weigh down 重荷になる)

6) Second, Toys “R” Us has not helped itself. Like many department-store chains, its inventory has been painfully slow to adapt to changing trends. Sales of fidget spinners, a toy that has become ubiquitous in the past year, for instance, got twirling online first. Nor is it clear whether its strategy of trying to lure families to its shops with live events, such as music classes for children, will work. (fidget spinner ハンドスピナー ubiquitous 至る所にある twirl くるくる回る lure 誘惑する)

7) Like so many other retailers, Toys “R” Us is striving to build its business online. That has been bumpy work. In 2000, back when Amazon was still trying to move beyond selling books, Toys “R” Us joined with the e-commerce giant to manage online toy sales. Four years later it sued Amazon, arguing that the e-tailer had broken the terms of their agreement. In 2006 a judge agreed, but 11 years on that victory gives scant solace. (strive 努力する、骨を折る bumpy でこぼこの、困難が生じる solace 慰め) 【2017-09-23 | The Economist】

★Icebreaker for active discussion

1. Have you ever been to Toys R Us stores? How was your experience?
2. What are the reasons behind Toys R Us' filing of bankruptcy?
3. Which do you prefer, brick and mortar shops or online shops? Why?
4. If you were to buy a toy for someone, what kind of toy would it be? Why?
5. Make sentences using the following words: sensible, insatiable, ubiquitous, lure and solace.

